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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY



Judith D. Argentieri
Government Affairs Director

Suite 1000
1120 20th Street, NW
Washington, DC 20036
202 457-3851
FAX 202 457-2545
Email jargenti@ga1120a.attmail.com

January 6, 1997

Mr. William F. Caton
Acting Secretary
Federal Communication Commission
1919 M Street, NW-Room 222
Washington, DC 20554

EX PARTE OR LATE FILED

Re: Ex Parte Presentation in CC Docket No. 96-98 and CC Docket No. 97-1

Dear Mr. Caton:

Today, Mark Haddad, of Sidley & Austin, Tim Connolly, of DMR Group Inc., Roy Hoffinger, James Grudus, Larry Salustro, Jane Medlin, Robert V. Falcone, Wayne Fonteix, and I, all representing AT&T, met with Carol Matthey, Don Stockdale, David Ellen, Michael Pryor, Melissa Waksman, Rob Tanner, Brent Olson, Christopher Heimann and Craig Brown, all with the Common Carrier Bureau, to discuss AT&T's views in the above-referenced proceedings. Additionally, we discussed issues related to operations support systems in the Ameritech region. We also discussed questions related to shared transport and customized routing. The attached documents were referred to in our meeting and are submitted at Staff's request.

Two copies of this letter and the attachments are being submitted to the Secretary of the Federal Communications Commission in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Sincerely,

A handwritten signature in cursive script that reads "Judy Argentieri".

Attachments

cc - without attachments: Craig Brown
David Ellen
Christopher Heimann
Carol Matthey
Brent Olson

Michael Pryor
Don Stockdale
Rob Tanner
Melissa Waksman

STATUS OF ELECTRONIC OPERATIONAL SUPPORT SYSTEMS DEVELOPMENT:

RESALE

Ameritech Interface/Function	Initial Specs Received	# Of Spec Versions Received	Final Specs Received	Integration Testing Begun	Integration Testing Complete	Operational Readiness
Pre-Ordering						
Address Verification	√	2				
Feature Availability	√	2				
Customer Service Record (CSR) ¹	√	2				
Telephone Number Assignment	√	2				
Due Date Selection	√	2				
Ordering ²	√	4		√		
Provisioning						
Firm Order confirmation	√	4		√		
Order Status (870)	√	1				
Order Completion	√	4		√		
Repair & Maintenance	√	1				
Billing						
AEBS Charges	√	1		√		
Usage Data (EMR)	√	1	√	√		

A "√" means a "Yes" response.

DRAFT

¹ Ameritech has made an interim process available for accessing CSRs, but this process does not provide information on a real-time basis.

² Several problems have developed in connection with the "specs" that Ameritech has provided for resale ordering. These problems include (a) the provision of new specs that fail to highlight changes from the previous version (necessitating line-by-line comparisons); and, (b) specs that are not developed in a manner that permits AT&T to prepare its related methods and procedures, order flows and system interfaces (i.e., its business rules). For example, the 11/8/96 issuance of the resale order spec generated over 75 AT&T questions/concerns that must be resolved before operational testing can be completed. In a 12/18/96 meeting on OSS, Ameritech acknowledged that its ordering spec failed to include all necessary information and agreed to produce another revised spec by 1/6/97 dealing with resold POTS. Additional spec revisions, including revisions for other OSS functions, are likely.

Status as of 12/23/96.

STATUS OF ELECTRONIC OPERATIONAL SUPPORT SYSTEMS DEVELOPMENT:

UNE-P, UNE

Ameritech Interface/Function	Initial Specs Received	# Of Spec Versions Received	Final Specs Received	Integration Testing Begun	Integration Testing Complete	Operational Readiness
Pre-Ordering³						
Address Verification						
Feature Availability						
Customer Service Record (CSR)						
Telephone Number Assignment						
Due Date Selection						
Ordering⁴						
Provisioning⁴						
Firm order confirmation						
Order status (870)						
Order completion						
Repair & Maintenance⁵						
Billing⁶						
AEBS charges						
CABS Bill						
Usage data (EMR)						

A "✓" means a "Yes" response.

³ Ameritech has not yet provided Pre-Ordering specifications for UNE-P and UNE.

⁴ An initial specification has been provided for Ordering and Provisioning a few individual elements such as number portability and switching, but no Ordering and Provisioning specifications have been provided for the UNE-P and other UNE combinations. Disagreement between AT&T and Ameritech over how the UNE-P will be provisioned makes interface development speculative.

⁵ Ameritech has not yet provided Repair and Maintenance specifications for UNE-P and UNE.

⁶ Ameritech has not yet provided Billing specifications for UNE-P and UNE.

DRAFT

Status as of 12/23/96.

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Commerce Commission)	
On Its Own Motion)	
)	
Investigation Concerning Illinois)	No. 96-0404
Bell Telephone Company's)	
Compliance with Section 271(c) of)	
the Telecommunications Act of 1996)	

SUPPLEMENTAL TESTIMONY

OF

ROBERT V. FALCONE

ON BEHALF OF

AT&T COMMUNICATIONS OF ILLINOIS, INC.

AT&T EXHIBIT 6.1

ICC DOCKET NO. 96-0404
SUPPLEMENTAL TESTIMONY OF ROBERT V. FALCONE

1 Q. PLEASE STATE YOUR NAME AND ADDRESS.

2
3 A. My name is Robert Falcone, and I previously submitted testimony in this
4 proceeding.

5
6 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

7
8 A. I am responding to points raised in the supplemental rebuttal testimony of
9 Ameritech's witness, Gregory Dunny, which asserts that Ameritech has satisfied
10 the competitive checklist. According to Mr. Dunny, Schedule 1 to his testimony
11 describes the items on the checklist that are offered in Ameritech's Statement of
12 Generally Available Terms (SGAT"). See Dunny Supplemental Rebuttal Test.,
13 pp. 2-3.¹ Mr. Dunny further states that another schedule, Schedule 5, provides for
14 each checklist item a "detailed description" of Ameritech's actual compliance with
15 the checklist, its "operational readiness," and, where applicable, the in-service
16 quantities for the item actually being provided by Ameritech. Id., p. 4. Together
17 with my direct testimony, I demonstrate that, contrary to the assertions of Mr.

¹For purposes of my testimony, the Schedule 1 that I am referring to is the "new" Schedule 1 that Ameritech filed on December 20, 1996 as an "errata" to Mr. Dunny's supplemental reply testimony. In its cover letter accompanying the filing of the "errata," Ameritech stated that the "new" Schedule 1 replaces the former Schedules 1 through 4 originally attached to Mr. Dunny's testimony.

1 Dunny in his testimony and the schedules, Ameritech has not met its obligations
2 under the Telecommunications Act of 1996 ("the 1996 Act"), including the
3 checklist, with respect to interconnection, signaling and data bases used for call
4 routing and completion, including AIN, and selective routing of operator services
5 and directory assistance of calls ("OS/DA").
6

7 **Q. HAS AMERITECH DEMONSTRATED THAT IT HAS MET THE**
8 **COMPETITIVE CHECKLIST FOR INTERCONNECTION, SIGNALING**
9 **AND DATA BASES, AND SELECTIVE ROUTING OF OS/DA CALLS?**
10

11 **A. No. As I demonstrated in my direct testimony, and as set forth in more detail**
12 **herein, Ameritech has not fully implemented the checklist items relating to**
13 **interconnection, signaling and data bases, and selective routing.**
14

15 **Q. SCHEDULE 1 (P. 2) OF MR. DUNNY'S TESTIMONY, IN DISCUSSING**
16 **THE REQUIREMENT OF TWO-WAY TRUNKING, CITES SECTION 4.3**
17 **OF THE SGAT, WHICH ADDRESSES LOCAL/INTRALATA TRUNKS.**
18 **DOES AT&T SEEK TO PROPOSE COMBINING ALL TRAFFIC TYPES**
19 **(E.G. LOCAL SWITCHED, INTRALATA TOLL, AND INTERLATA**
20 **TOLL) ON A SINGLE TRUNK GROUP?**
21

1 A. No. AT&T's proposal is that local switched and intraLATA toll would be carried
2 on one trunk group but that interLATA toll traffic would not be mixed with local
3 and intraLATA toll traffic. Although Ameritech has claimed that the use of
4 combined local and intraLATA traffic on a single trunk group allows carriers to
5 bill on the basis of the use of actual minutes, Section 4.6.1 of the SGAT states that
6 Ameritech will be using percent local usage factors in determining bills for trunk
7 usage of local calls and intraLATA toll. As Ameritech has acknowledged (Dunny
8 Rebuttal Test., p. 9), carriers cannot distinguish between different types of traffic
9 on a trunk, and the mix of local and intraLATA toll calls, which are billed at
10 different rates, will require the use of local percentage factors for such calls.

11
12 **SIGNALING AND DATA BASES**

13
14 **Q. SCHEDULE 5 (P. 10) AND SCHEDULE 1 (PP. 15-17) OF MR. DUNNY'S**
15 **TESTIMONY SUGGEST THAT AMERITECH HAS COMPLIED WITH**
16 **ITS OBLIGATIONS UNDER THE 1996 ACT TO PROVIDE**
17 **NONDISCRIMINATORY ACCESS TO DATABASES AND ASSOCIATED**
18 **SIGNALING. DO YOU AGREE THAT AMERITECH HAS MET THESE**
19 **OBLIGATIONS?**

20 A. No. Among other things, Ameritech has established no written procedures or
21 benchmarks relating to AIN services. Instead, Ameritech has established a

1 manual process for dealing with requests for AIN services and seeks to justify its
2 position not to establish written procedures relating to AIN services by claiming
3 that all AIN services are unique and have to be individually tailored to meet
4 customer's needs. See Heinmiller Rebuttal Test., p. 3. In fact, there are a variety
5 of types of AIN services; although some will be custom designed, many are
6 standard services and features that will not involve customization of
7 individualized issues. As I noted in my prior testimony (p. 18), the First Report
8 and Order required that Ameritech provide carriers three different forms of access
9 to AIN services, including access to AIN services that Ameritech makes available
10 to its own customers. There is nothing "customized" or specialized about this
11 process that justifies a manual process for ordering these AIN functions from
12 Ameritech. This manual process is designed to give Ameritech unfettered
13 discretion in how it handles requests from competitors and allows Ameritech to
14 discriminate against its competitors.

15
16 AT&T believes that written procedures and benchmarks must be established so
17 that Ameritech does not have unfettered discretion in handling the development of
18 new AIN services. Without specific procedures and benchmarks, there will be no
19 basis upon which to judge whether Ameritech has acted reasonably. Ameritech
20 cannot avoid establishment of any such standards by claiming that AIN is a
21 flexible technology. The development of written procedures and processes to

1 govern the development of AIN services will not place restrictions on the
2 development of new technologies and services but will rather ensure that
3 Ameritech does not have the opportunity to delay the introduction of new
4 technologies and services to end users by simply failing to act--or having
5 "misunderstandings" with the requesting carrier in an environment in which it has
6 unfettered discretion.

7
8 **Q. IS AMERITECH'S MANUAL PROCESS FOR ACCESSING AND**
9 **ORDERING AIN SERVICES CONSISTENT WITH THE FCC'S SECOND**
10 **ORDER ON RECONSIDERATION?**

11
12 **A. No. The FCC in its Second Order on Reconsideration, released December 13,**
13 1996, stated that ILECs are required to provide "interface design specifications"
14 for OSS functions. Second Order on Reconsideration at 5. As access to AIN
15 services are included within the definition of network elements, the ILECs must
16 provide written procedures governing ordering and access to AIN services. In the
17 absence of such written specifications and procedures, Ameritech is not in
18 compliance with its obligations under the FCC's orders.

1 **Q. NEITHER SCHEDULE 5 TO MR. DUNNY'S TESTIMONY, NOR THE**
2 **SGAT REFERRED TO IN HIS SCHEDULE 1, PROVIDES FOR ACCESS**
3 **TO AIN TRIGGERS. AMERITECH CLAIMS THAT AT&T**
4 **ABANDONED ITS REQUEST FOR ACCESS TO AIN TRIGGERS IN THE**
5 **ARBITRATION PROCEEDING (HEINMILLER REBUTTAL TEST., P. 8).**
6 **IS THIS CORRECT?**

7
8 **A. No. However, in recognition of the objections raised by Ameritech after the**
9 **Illinois Commerce Commission ordered Ameritech to provide access to AIN**
10 **triggers, AT&T proposed a study in which AT&T, Ameritech, the Commission**
11 **staff and other interested parties would participate in discussing Ameritech's**
12 **concerns and then report to the Commission in the first quarter of 1997. It was**
13 **AT&T's view that such a study, including participation of the Commission staff,**
14 **would permit all concerned parties to evaluate the legitimacy of Ameritech's**
15 **objections and concerns.**

16
17 **Q. DO YOU AGREE WITH AMERITECH'S OBJECTIONS TO A JOINT**
18 **STUDY TEAM?**

19 **A. No. Ameritech opposes a joint study team because such a study might reveal that**
20 **many of Ameritech's concerns are baseless and thereby undercut its control of**
21 **development of AIN services. Ameritech wants the issue considered at the**

1 national industry forums because those bodies act on a consensual basis, and
2 Ameritech and the other RBOCs can block any action by failing to agree. A
3 statewide study with the active participation by the Commission staff would offer
4 fewer opportunities for Ameritech to control and manipulate the process.
5 Interestingly, although Ameritech has stated that AIN is an extremely flexible
6 technology that must be customized to meet the needs of individual carriers,
7 Ameritech now insists that it should not be studied at the statewide level but
8 rather must be reviewed only at the national level. Clearly, Ameritech is using a
9 double standard -- relying on the flexibility of the technology to claim that it does
10 not need to devise workable procedures to make those services available to other
11 carriers and then claiming that it can only be studied in national standards setting
12 groups. In fact, Ameritech's economic interests are showing.

13
14 **Q. SCHEDULE 5 (P. 6) OF MR. DUNNY'S TESTIMONY STATES THAT**
15 **AMERITECH'S SGAT "OFFERS CUSTOM AND SPECIAL ROUTING**
16 **FOR LOCAL AND TANDEM SWITCHES." DO YOU BELIEVE THAT**
17 **AMERITECH IS MAKING CUSTOMIZED ROUTING AVAILABLE TO**
18 **ULS CUSTOMERS AS REQUIRED BY THE FCC'S FIRST REPORT AND**
19 **ORDER?**

1 A. No. Ameritech claims that it is making customized routing available to ULS
2 subscribers by "provid[ing] routing of calls placed by end users of carriers who
3 subscribe to ULS in the same manner that it routes calls placed by its own end
4 users" (Dunny Rebuttal Test, p. 26). That is not customized routing at all, but
5 rather the standard routing that Ameritech claims it is making available to all its
6 ULS customers as a standardized offering. Ameritech also asserts that a "general
7 offering of such customized routing cannot be made since each request for special
8 routing is dependent upon what each carrier is seeking" (Id.). Thus, the SGAT
9 (Schedule 9.5, § 4.1.5) provides that unless Ameritech already provides
10 customized local routing, requests for customized routing will be handled through
11 the BFR process.

12
13 Ameritech's approach is flatly inconsistent with the FCC's First Report and Order.
14 The FCC stated that the ULS includes any "technically feasible customized
15 routing functions" (First Report and Order, ¶ 412). In addition, the ILEC is
16 required to make modifications to its network to accommodate new entrants and
17 the requirements of competition (Id., ¶ 202). Ameritech has not yet demonstrated
18 by "clear and convincing evidence," as required by the FCC's rules, that
19 customized routing is not technically feasible. Ameritech cannot simply try to
20 sweep the customized routing issue under the rug of the BFR process and hope it
21 goes away. Ameritech must demonstrate that any customized routing proposal is

1 not technically feasible -- an unlikely prospect given Bell Atlantic's imminent
2 implementation of an AIN trigger solution for customized routing as well as other
3 proposed solutions being implemented by other RBOCs. Ameritech will have to
4 demonstrate why it cannot implement customized routing using one or more of
5 the possible solutions. Moreover, Ameritech will not be in a position to obtain
6 interLATA relief from the FCC until this issue is resolved.

7
8 **Q. MR. DUNNY (P. 10) STATES THAT A CLEC THAT PROVIDES**
9 **SERVICE THROUGH RESALE OR THROUGH THE PURCHASE OF**
10 **UNBUNDLED ELEMENTS CAN REQUEST SELECTIVE ROUTING OF**
11 **OS/DA, AND THAT SUCH ROUTING WILL BE PROVIDED IF IT IS**
12 **TECHNICALLY FEASIBLE. HAVE AIN TRIGGERS TO PROVIDE**
13 **CUSTOMIZED ROUTING BEEN DEVELOPED OR TESTED TO**
14 **DETERMINE WHETHER THEY CAN PROVIDE SUCH CUSTOMIZED**
15 **ROUTING?**

16
17 **A.** Yes. Although Ameritech has denied that this was the case, Ameritech has been
18 selective in its use of facts and information. The same Ameritech witness who
19 trumpeted AIN as a "extremely flexible technology" later ignored that flexibility
20 in stating that "AIN triggers are not able to distinguish between OS/DA calls and
21 other calls." See Heinmiller Rebuttal Test., p. 16. In fact, different forms of AIN

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SUPPLEMENTAL TESTIMONY OF ROBERT V. FALCONE

1 triggers are available, and one such trigger uses dialed digits and would affect
2 only OS/DA calls and route them to the appropriate carrier based on a look-up
3 table. This form of AIN trigger would not encounter the associated
4 query/response delay for all calls and would not have the network failure
5 consequences that Ameritech has alleged. This AIN trigger solution is being used
6 by Bell Atlantic and will be implemented in the first two quarters of 1997, and
7 Ameritech has made no showing that this approach is not technically feasible.
8

9 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

10
11 A. Yes, it does.
12
13
14
15
16
17
18
19
20

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**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Commerce Commission)	
On Its Own Motion)	
)	
Investigation Concerning Illinois)	No. 96-0404
Bell Telephone Company's)	
Compliance with Section 271(c) of)	
the Telecommunications Act of 1996)	

**SUPPLEMENTAL TESTIMONY
OF
WAYNE FONTEIX
ON BEHALF OF
AT&T COMMUNICATIONS OF ILLINOIS, INC.
AT&T EXHIBIT 5.1**

ICC DOCKET NO. 96-0404
SUPPLEMENTAL TESTIMONY OF WAYNE FONTEIX

1 **Q. PLEASE STATE YOUR NAME AND ADDRESS.**

2
3 **A. My name is Wayne Fonteix, and I previously submitted testimony in this**
4 **proceeding.**

5
6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

7
8 **A. I am responding to claims made in the supplemental rebuttal testimony of**
9 **Ameritech's witness, Gregory Dunny, including the schedules attached to his**
10 **testimony, that Ameritech has satisfied the competitive checklist with regard to**
11 **transport, switching, and loop provisioning issues. Schedule 1 to Mr. Dunny's**
12 **testimony purports to describe the items on the checklist that are offered in**
13 **Ameritech's Statement of Generally Available Terms ("SGAT"). See Dunny**
14 **Supplemental Rebuttal Test., pp. 2-3.¹ Mr. Dunny further states that another**
15 **schedule, Schedule 5, provides for each checklist item a "detailed description" of**
16 **Ameritech's actual compliance with the checklist, its "operational readiness," and,**
17 **where applicable, the in-service quantities for the item actually being provided by**
18 **Ameritech. Id., p. 4. Together with my direct testimony, I demonstrate that,**

¹The Schedule 1 that I refer to in my testimony is the "new" Schedule 1 filed by Ameritech on December 20, 1996, as an "errata" to Mr. Dunny's supplemental rebuttal testimony.

1 contrary to the assertions of Mr. Dunny in his testimony and the schedules,
2 Ameritech has not met its obligations under the Telecommunications Act of 1996
3 ("the 1996 Act"), including the checklist, in these areas. In my testimony, I will
4 discuss Ameritech's efforts to thwart competition from CLECs by introducing
5 obstacles to the use by CLECs of the unbundled switch and unbundled platform,
6 particularly with its dedicated/"shared" transport concept.

7
8 **Q. AMERITECH CLAIMS THAT IT HAS COMPLIED WITH THE**
9 **COMPETITIVE CHECKLIST WITH REGARD TO SWITCHING AND**
10 **TRANSPORT. DO YOU AGREE?**

11
12 **A. No.** As I indicated in my direct testimony, Ameritech has failed to make available
13 unbundled loops, unbundled switching, and unbundled transport as required by
14 the Act and the FCC's First Report and Order. The provisioning intervals for
15 unbundled loops will permit Ameritech to control the rate of growth of its
16 competitors, which is inconsistent with Ameritech's nondiscrimination obligations
17 under the Act. The unbundled switch is subject to a number of restrictions,
18 including restrictions on call termination services and Ameritech's effort to deny
19 the purchaser of the ULS element the right to provide originating and terminating
20 access for 800 service calls. Similarly, Ameritech seeks to undermine the

1 unbundled platform by requiring purchasers of the unbundled platform to use the
2 BFR process to obtain customized routing of operator services and directory
3 assistance calls. Finally, Ameritech's transport proposal is fundamentally at odds
4 with Ameritech's obligation to permit shared transport under the Act.

5
6 **TRANSPORT**

7
8 **Q. MR. DUNNY (PP. 4-9) STATES THAT AMERITECH HAS COMPLIED**
9 **WITH ITS CHECKLIST OBLIGATION TO OFFER LOCAL**
10 **TRANSPORT. DO YOU AGREE?**

11
12 **A.** No. As I stated in my direct testimony (p. 38-39), Ameritech's proposal to
13 provide dedicated transport and "shared" transport (see Dunny Supplemental
14 Rebuttal Test., p. 7 and Schedule 1, p. 9) is not consistent with the Act or the
15 FCC's regulations and would lead to a totally inefficient network. With this
16 dedicated/"shared" transport offering, Ameritech seeks to make new competitors
17 duplicate Ameritech's transport network to transport calls or otherwise pay high
18 retail rates for Ameritech's alternative transport service (i.e. intraMSA toll
19 service), the result of which is a de facto bundling of local switching with other
20 (retail) services. Ameritech knows that it lacks the physical facilities to make

1 transport capacity available in the form of dedicated and "shared" transport that it
2 proposes. It also knows that new competitors will not be in a position to pay for
3 dedicated or "shared" transport, as proposed by Ameritech. Instead, Ameritech
4 offers an "alternative" transport option to purchasers of the ULS that includes high
5 retail rates for intraMSA toll service. This dedicated/"shared" transport proposal
6 is designed to force new entrants to use its proposed alternative "transport" option.
7 Interestingly, although Ameritech has claimed that there are severe constraints on
8 its ability to selectively route OS/DA calls, its transport proposal would require
9 Ameritech to selectively route each call to the proper "dedicated" or "shared"
10 trunk or Ameritech's common trunk. Clearly, this transport proposal is part of
11 Ameritech's long-running campaign to undermine implementation of the
12 unbundled platform.

13
14 The FCC in its First Report and Order required that transport be unbundled to
15 permit "shared" transmission facilities. First Report and Order, ¶ 440. This was
16 designed to permit transport of calls over all trunks in an ILEC's transport
17 network. Such unbundling does not occur under Ameritech's approach as
18 Ameritech never allows a CLEC end users' traffic to share transport with
19 Ameritech end users' traffic. In essence, under Ameritech's proposal, all parties
20 seeking to purchase unbundled transport on a minute of use basis would be

1 required to either form joint purchasing agreements or solicit resale agreements
2 with other competing carriers. In addition, Ameritech would be the only entity
3 that would never share traffic with the CLECs.
4

5 **Q. WHY IS THE "SHARED" TRANSPORT OPTION NOT A REAL**
6 **ALTERNATIVE FOR CLECS?**

7
8 **A.** Ameritech's offering of "shared" transport is totally unrealistic and would impose
9 significant costs on any CLEC choosing the "shared" transport option. CLECs
10 generally will not have the volume of traffic to justify purchasing dedicated
11 transport from Ameritech. The "shared" transport option would require
12 significant CLEC expenditures to pay Ameritech for what is in effect equivalent
13 to the situation in which the CLEC is only offered dedicated transport. Ameritech
14 suggests that a CLEC would have the choice of incurring the time and expense to
15 put together a group of carriers that would "share" the dedicated facilities. The
16 shared transport element, thus, does not belong to the ILEC, but to the CLEC, at
17 this point. The expense and effort to manage the shared arrangement make it
18 totally impractical. In this scenario, a CLEC would actually resell an unbundled
19 element.
20

1 **Q. IS AMERITECH'S NETWORK CAPABLE OF SUPPORTING THE**
2 **"SHARED" TRANSPORT CONCEPT?**

3
4 **A. If a number of carriers did seek to use Ameritech's shared transport system, it**
5 **would overwhelm Ameritech's transport facilities and require significant**
6 **overbuilding, along with the attendant inefficiencies that such overbuilding would**
7 **entail. Clearly, Ameritech does not envision that CLECs will use the "shared"**
8 **transport option, but instead will be forced to use its "alternative" transport option**
9 **with the high retail rates that Ameritech is proposing.**

10
11 **Q. CAN THIS COMMISSION AND FCC CERTIFY AMERITECH'S**
12 **COMPLIANCE WITH THE COMPETITIVE CHECKLIST FOR**
13 **UNBUNDLED TRANSPORT PRIOR TO RESOLUTION TO THIS ISSUE**
14 **OF DEDICATED AND "SHARED" TRANSPORT?**

15
16 **A. This issue has a fundamental effect on a CLEC's business decisions regarding**
17 **entry into the local exchange. The Act and the FCC clearly contemplated that**
18 **CLECs might use resale, facilities-based operation, or the purchase of unbundled**
19 **elements, or some combination thereof, as entry strategies in providing local**
20 **exchange service. Ameritech's dedicated and "shared" transport would affect the**

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SUPPLEMENTAL TESTIMONY OF WAYNE FONTEIX

1 viability of the use of unbundled local switching. Without the availability of
2 common transport, the unbundled switching element and the unbundled platform
3 may not be commercially viable, and Ameritech's effort to force purchasers of the
4 unbundled platform to pay retail rates for transport under its alternative transport
5 option will simply drive up the CLECs' costs. For this reason, in the absence of a
6 fully functioning and legitimate shared transport option, Ameritech cannot be
7 found to have fully implemented its obligation under Section 271 to provide
8 unbundled transport on a nondiscriminatory basis.
9

10 **SWITCHING**

11
12 **Q. SCHEDULE 1 (PP. 11-12) AND SCHEDULE 5 (P. 6) OF MR. DUNNY'S**
13 **TESTIMONY SUGGEST THAT AMERITECH'S METHOD OF**
14 **RECOVERING THE COST OF CUSTOMIZED ROUTING IS IN**
15 **COMPLIANCE WITH THE 1996 ACT. DO YOU AGREE?**
16

17 **A.** No. Ameritech would require the CLEC to bear the entire cost of making the
18 necessary modifications to provide customized routing for that CLEC. See
19 SGAT, Sch. 9.5, § 4.1.5. As I stated in my direct testimony, however, those costs
20 should be recovered in a nondiscriminatory, competitively neutral manner. When

1 a CLEC purchases the unbundled switch, it obtains all features, functions, and
2 capabilities of that switch. Customized routing is one of the features of a switch,
3 and as a result, a CLEC purchasing the unbundled switch should receive
4 customized routing as part of the price of the switch. Moreover, as set forth in my
5 direct testimony, changes required to be made to Ameritech's systems to support
6 multiple competing carriers should legitimately be spread among all users of this
7 new system, and not just the end users of the new CLECs. The new system is
8 designed to permit all carriers, including Ameritech, to compete in the new
9 environment, and the new entrants should not be saddled with the costs of
10 modifying Ameritech's systems to make the competitive environment possible.
11 Ameritech built its system over a century with a protected monopoly franchise,
12 and it is appropriate that the shift to competition in the local exchange, which will
13 benefit all end users, be paid for by all end users.

14
15 **Q. MR. DUNNY'S SCHEDULE 1 (PP. 11-12) SUGGESTS THAT THE**
16 **PRICING SCHEDULE OF THE SGAT COMPLIES WITH THE ACT AND**
17 **THE FCC'S FIRST REPORT AND ORDER. IS AMERITECH'S**
18 **"BILLING DEVELOPMENT" CHARGE IN THE PRICING SCHEDULE**
19 **(P. 5) CONSISTENT WITH THE ACT OR THE FCC'S FIRST REPORT**
20 **AND ORDER?**

ICC DOCKET NO. 96-0404
SUPPLEMENTAL TESTIMONY OF WAYNE FONTEIX

1
2 A. No. The costs that Ameritech has identified as being recovered by this charge
3 (see Dunny Rebuttal Test., pp. 30-31) are items that are necessary to convert
4 Ameritech's system to make the competitive environment established by the 1996
5 Act possible. As such, those are costs that should be recovered from all users of
6 the network, including Ameritech users. Accordingly, these costs should be
7 recovered in a competitively neutral manner and should not be borne solely by
8 those parties that are using the ULS service.

9
10 **Q. IS AMERITECH'S CHARGE FOR CENTREX COMMON BLOCK IN**
11 **THE SGAT'S PRICING SCHEDULE (P. 4) CONSISTENT WITH ITS**
12 **OBLIGATIONS UNDER THE ACT AND THE FCC'S FIRST REPORT**
13 **AND ORDER?**

14
15 A. No. Ameritech charges its retail customers a Centrex Common Block charge as
16 part of its Centrex service and seeks to impose such a charge on purchasers of the
17 unbundled switching element. Purchasers of the ULS are not retail customers,
18 however, and pay for all the features and functions of the switch in the unbundled
19 switch charge. As the Common Block feature is a feature of the switch, the ULS

1 charge includes this Common Block feature, and Ameritech may not charge
2 separately for the Common Block feature.
3
4

5 **Q. IS AMERITECH PLANNING TO PROVIDE APPROPRIATE BILLING**
6 **INFORMATION?**
7

8 **A.** Ameritech plans to provide billing information to permit purchasers of the ULS
9 element to "bill originating access carrier charges to the IXCs" (Gebhardt Rebuttal
10 Test., p. 51). In other words, there is no commitment from Ameritech to provide
11 the necessary information to bill for terminating access, even though Ameritech
12 concedes that purchasers of its flawed dedicated/"shared" transport are entitled to
13 charge for terminating access (Gebhardt Rebuttal Test., p. 51).
14

15 **LOOP PROVISIONING**
16

17 **Q. SCHEDULE 5 (PP. 2, 4) OF MR. DUNNY'S TESTIMONY STATES THAT**
18 **AMERITECH IS OFFERING AND PROVIDING ACCESS TO**
19 **UNBUNDLED LOOPS, AND THAT IT HAS "PREPARED AND**
20 **IMPLEMENTED . . . ORDERING, INSTALLATION, TESTING, BILLING**